



U.S. Small Business
Administration

Agenda

- 1. Disaster Loan Assistance from the US SBA
for Small Businesses and Non-Profits**
- 2. Non-Financial Assistance
from the US SBA and our Partners**
- 3. Additional Resources**

***These Slides are available to download at:
www.sba.gov/tx/houston***

Economic Injury Disaster Loans (EIDL)



Loans up to \$2 million; no payments for 12 months



Small businesses and private non-profits are eligible



May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster



3.75% interest rate for small businesses *without credit available elsewhere*; businesses with credit available elsewhere are not eligible.



2.75% for private non-profits



Long-term repayments for COVID crisis will be 30 years

Additional EIDL Details

- No cost to apply
- No obligation to take the loan (if offered)
- Amount should reflect 6 months operating expenses
- Existing SBA loans are OK:
 - Applicant can have an existing SBA Disaster Loan and still qualify
 - Applicant can have other existing SBA Loan (7a, 504, etc) and still qualify
 - Loans cannot be consolidated
- Collateral:
 - If over \$25,000 EIDLs require collateral
 - SBA will not decline for lack of collateral, but requires the pledge of what is available
 - Real estate when available

Who is Ineligible

- Any business where gambling is more than 1/3 of annual gross revenue
- Casinos & Racetracks where their purpose for being is gambling
- Businesses of a prurient sexual nature
- Pawn Shops is more than 50% of income derives from interest
- Religious Organizations
- Investment or Lending companies
- Charitable Organizations (private non-profits are OK)
- All Speculative Activities
- Agricultural Enterprises

Criteria for Approval

- Credit History - acceptable to SBA.
- Repayment - business must exhibit the ability to repay the loan. Were you current on your obligations as of Jan 31?
- Eligibility - business must be located in a declared state and suffered working capital losses due to the declared disaster.



How to Apply for EIDL

- **Works on iPhone with Safari / Chrome on Android**
- **If PC; works best with Internet Explorer or Microsoft Edge**
- For the COVID-19 disaster everything will be online
- The website for applying for EIDL is www.sba.gov/disaster
- You may also contact the SBA disaster customer service center:
 - 1-800-659-2955
 - e-mail disastercustomerservice@sba.gov
 - TTY: 1-800-877-8339

The Process as of 3/26/2020

Two forms, Two Steps

Economic Injury Disaster Loan Assistance

Small business owners in all U.S. states, Washington D.C., and territories are currently eligible to apply for a long term low-interest loan due to Coronavirus (COVID-19).

The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

If you are applying for disaster assistance for another declaration, then please see the home owner's and renter's form [here](#).

Instructions to Apply

1. Download forms below
2. Fill in your information
3. Upload forms on this page below
4. If you choose to mail, then please see Mailing Instructions below

Download Business Forms

1. [Business Loan Application \(Form 5\) \(en Español\)](#).
2. [Home or Sole Proprietor Loan Application \(SBA Form 5C\) \(en Español\)](#).
3. [Economic Injury Disaster Loan Supporting Information \(Form P-019\)](#).

Instructions - application screen

Upload Business Forms

Upload Your Loan Documents

Securely upload completed Disaster Applications



Select files from your device

Upload Section - application screen

Intro area - application screen

The Form 5
Five pages
Only 2 for you to complete
Remaining 3 are instructions
This is Page 1

<input type="checkbox"/> Physical Damage -- Indicate type of damage <input type="checkbox"/> Real Property <input type="checkbox"/> Business Contents <input type="checkbox"/> Economic Injury (EIDL)		<input type="checkbox"/> Military Reservist EIDL (MREIDL) <small>(complete the following)</small> * Name of Essential Employee _____ * Employee's Social Security Number _____							
PLEASE PROVIDE ALL INFORMATION OR DOCUMENTATION REQUESTED IN THE ATTACHED FILING REQUIREMENTS. <small>* For information about these questions, see the attached Statements Required by Laws and Executive Orders.</small> Apply online at https://disasterloan.sba.gov/ela/ OR send completed applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, Texas 76155									
2. ORGANIZATION TYPE *Sole Proprietors should complete form 5C <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Entity <input type="checkbox"/> Corporation <input type="checkbox"/> Nonprofit Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____									
3. APPLICANT'S LEGAL NAME _____		4. FEDERAL E.I.N. (if applicable) _____							
5. TRADE NAME (if different from legal name) _____		6. BUSINESS PHONE NUMBER (including area code) _____							
7. MAILING ADDRESS <input type="checkbox"/> Business <input type="checkbox"/> Home <input type="checkbox"/> Temp <input type="checkbox"/> Other _____ Number, Street, and/or Post Office Box _____ City _____ County _____ State _____ Zip _____									
8. DAMAGED PROPERTY ADDRESS(ES) BUSINESS PROPERTY IS: (If you need more space, attach additional sheets.) <input type="checkbox"/> Same as mailing address <input type="checkbox"/> Owned <input type="checkbox"/> Leased Number and Street Name _____ City _____ County _____ State _____ Zip _____									
9. PROVIDE THE NAME(S) OF THE INDIVIDUAL(S) TO CONTACT FOR: <table border="1"><thead><tr><th>Loss Verification Inspection</th><th>Information necessary to process the Application</th></tr></thead><tbody><tr><td>Name _____</td><td>Name _____</td></tr><tr><td>Telephone Number _____</td><td>Telephone Number _____</td></tr></tbody></table>				Loss Verification Inspection	Information necessary to process the Application	Name _____	Name _____	Telephone Number _____	Telephone Number _____
Loss Verification Inspection	Information necessary to process the Application								
Name _____	Name _____								
Telephone Number _____	Telephone Number _____								
10. ALTERNATE WAY TO CONTACT YOU <input type="checkbox"/> Cell Number _____ <input type="checkbox"/> E-mail _____ <input type="checkbox"/> Fax Number _____ <input type="checkbox"/> Other _____									
11. BUSINESS ACTIVITY: _____		12. NUMBER OF EMPLOYEES (pre-disaster): _____							
13. DATE BUSINESS ESTABLISHED: _____		14. CURRENT MANAGEMENT SINCE: _____							
15. AMOUNT OF ESTIMATED LOSS: <small>If unknown, enter a question mark</small> <input type="checkbox"/> Real Estate _____ <input type="checkbox"/> Inventory _____ <input type="checkbox"/> Machinery & Equipment _____ <input type="checkbox"/> Leasehold Improvements _____									
16. INSURANCE COVERAGE (IF ANY) (If you need more space, attach additional sheets.)		Coverage Type: _____							
Name of Insurance Company and Agent _____									
Phone Number of Insurance Agent _____		Policy Number _____							

The Form 5

Page 2

17. OWNERS (Individuals and businesses.) <small>(If you need more space attach additional sheets.)</small>						<small>Complete for each: 1) proprietor, or 2) limited partner who owns 20% or more interest and each general partner, or 3) stockholder or entity owning 20% or more voting stock.</small>							
Legal Name				Title/Office		% Owned		E-mail Address					
SSN/EIN*		Marital Status		Date of Birth*		Place of Birth*		Telephone Number (area code)		US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No			
Mailing Address						City		State		Zip			
Legal Name				Title/Office		% Owned		E-mail Address					
SSN/EIN*		Marital Status		Date of Birth*		Place of Birth*		Telephone Number (area code)		US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No			
Mailing Address						City		State		Zip			
<small>* For information about these questions, see the attached Statements Required by Laws and Executive Orders.</small>													
Business Entity Owner Name						EIN		Type of Business		% Ownership			
Mailing Address						City		State		Zip Code			
E-mail Address								Phone					
18. For the applicant business and each owner listed in item 17, please respond to the following questions, providing dates and details on any question answered YES (Attach an additional sheet for detailed responses).													
a. Has the business or a listed owner ever been involved in a bankruptcy or insolvency proceeding?										<input type="checkbox"/> Yes <input type="checkbox"/> No			
b. Does the business or a listed owner have any outstanding judgments, tax liens, or pending lawsuits against them?										<input type="checkbox"/> Yes <input type="checkbox"/> No			
c. In the past year, has the business or a listed owner been convicted of a criminal offense committed during and in connection with a riot or civil disorder or other declared disaster, or ever been engaged in the production or distribution of any product or service that has been determined to be obscene by a court of competent jurisdiction?										<input type="checkbox"/> Yes <input type="checkbox"/> No			
d. Has the business or a listed owner ever had or guaranteed a Federal loan or a Federally guaranteed loan?										<input type="checkbox"/> Yes <input type="checkbox"/> No			
e. Is the business or a listed owner delinquent on any Federal taxes, direct or guaranteed Federal loans (SBA, FHA, VA, student, etc.), Federal contracts, Federal grants, or any child support payments?										<input type="checkbox"/> Yes <input type="checkbox"/> No			
f. Does any owner, owner's spouse, or household member work for SBA or serve as a member of SBA's SCORE, ACE, or Advisory Council?										<input type="checkbox"/> Yes <input type="checkbox"/> No			
g. Is the applicant or any listed owner currently suspended or debarred from contracting with the Federal government or receiving Federal grants or loans?										<input type="checkbox"/> Yes <input type="checkbox"/> No			
19. Regarding you or any joint applicant listed in Item 17:													
a) are you presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction; b) have you been arrested in the past six months for any criminal offense; c) for any criminal offense - other than a minor vehicle violation - have you ever: 1) been convicted, 2) plead guilty, 3) plead nolo contendere, 4) been placed on pretrial diversion, or 5) been placed on any form of parole or probation (including probation before judgement)?													
										<input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, Name: _____	
20. PHYSICAL DAMAGE LOANS ONLY. If your application is approved, you may be eligible for additional funds to cover the cost of mitigating measures (real property improvements or devices to minimize or protect against future damage from the same type of disaster event). It is not necessary for you to submit the description and cost estimates with the application. SBA must approve the mitigating measures before any loan increase.													
										By checking this box, I am interested in having SBA consider this increase.		<input type="checkbox"/>	
21. If anyone assisted you in completing this application, whether you pay a fee for this service or not, that person must print and sign their name in the space below.													
Name and Address of Representative (please include the individual name and their company)													
<small>(Signature of Individual)</small>						<small>(Print Individual Name)</small>							

Supporting Info

Form P-019

The U.S. Small Business Administration Economic Injury Disaster Loan provides immediate working capital to eligible applicants. For expedited loan application processing, the business must have been operating for at least one year prior to the disaster. Eligibility for this disaster Loan must consider compensated from other sources to offset the economic injury. Other sources include but are not limited to: (1) grants or other reimbursement (including loans) from government agencies or private organizations, and (2) claims for civil liability against other individuals, organizations or governmental entities.

Was the business in operation one year prior to the disaster?

☐

Yes

☐

No

Gross Revenues for the twelve (12) month period prior to the disaster:

\$

Cost of Goods Sold for the twelve (12) month period prior to the disaster:

\$

Rental properties (residential and commercial) only.
Lost rents due to the disaster:

\$

Compensation from other sources received as a result of the disaster (provide a brief description below) :

\$

\$

\$

SIZE STANDARD*:

SBA's size standards define whether a business concern is small and, therefore, eligible for an Economic Injury Disaster Loan.

I certify all above information provided and the size of the applicant business does not exceed the size standard for the industry in which the business is primarily engaged.

Signature and Title

Date

After You Submit - You May Be Asked For

A Disaster Assistance loan officer may request you to fill out the following additional forms:

- [Fee Disclosure Form and Compensation Agreement \(Form 159D\)](#)
- [Personal Financial Statement \(SBA Form 413D\)](#)[Personal Financial Statement \(SBA Form 413D\) \(en Español\)](#)
- [Request for Transcript of Tax Return \(IRS Form 4506-T\)](#)
- [Instructions for Request for Transcript of Tax Return \(IRS Form 4506-T\)\(en Español\)](#)
- [Schedule of Liabilities \(SBA Form 2202\)](#)
- [Instructions for Schedule of Liabilities \(SBA Form 2202\)](#)
- [Schedule of Liabilities \(SBA Form 2202\) \(en Español\)](#)
- [PUERTO RICO ONLY: Release of Inheritance and Donation \(Modelo SC 2907\) \(en Español\)](#)
- [PUERTO RICO ONLY: Hacienda Statement of Authorization](#)
- [Additional Filing Requirements \(SBA Form 1368\)](#)
- [Additional Filing Requirements \(SBA Form 413D\) Spanish](#)

- You *MAY* be asked for:
 - Completed IRS Form 4506-Ts:
 - owner
 - each principal that owns 20% or more
 - each general partner or managing member
 - each owner who owns more than 50% of an affiliate business
 - Up to two (2) years complete business tax returns with all schedules
 - Personal Financial Statements
 - Schedule of Liabilities
 - Monthly sales figures (SBA Form 1368)
 - A current year-to-date profit-and-loss statement

Optional Forms - application screen

The Three Step Disaster Loan Process

Apply online per previous slides

Loan Processing Decision

- Information is verified and credit checked; you may be asked for more info
- Forecasts are completed to determine the EIDL amount
- A loan officer contacts you to make recommendation and discuss next steps
- Decision normally takes up to 4 weeks

Loan Closes and Funds Disbursed

- Sign and Submit Loan Documents
- Initial disbursement of \$25K within 5 days
- A Case Manager is assigned that will help you with the rest

Important Notes About Your Application

- Please complete and submit everything required
- If more funds are needed you can submit supporting documents and request an increase
- If less funds are needed you can request a reduction
- If denied you get six months to provide a written reconsideration request with new / supplemental information
 - If denied a second time, you get 30 days to appeal again

Forbearance of Your Existing SBA Loan

7(a) Loans and Micro Loans

- Lenders may help with temporary cash flow issues by deferring payments
- For 7(a) loans, up to six (6) consecutive months
 - *Unless guarantee has been sold, in which case 90 days*
- For micro loans, up to six (6) consecutive months
 - *Deferment may not cause the loan to extend beyond the maximum six (6) year maturity*

504 Loans

- CDCs may help with temporary cash flow issues by deferring payments
- Up to six (6) consecutive months or 20% of the original loan amount, whichever is less

Important Non-Monetary Assistance from SBA

SBA has three local Resource Partners

- Texas Gulf Coast Small Business Development Centers (SBDC)
- SCORE Mentors
- The WBEA Women's Business Center (WBC)

A range of help during the downturn, to include:

- Cash flow management / short term financial management
- Messaging / Social Media to stay engaged with customers
- Import/Export
- Supply Chain
- Strategic Planning and Financial Tune-Up; prepare to prosper after the disaster
- Planning for further disasters / Risk management / Insurance counseling

Additional Info / Resources

- JP Morgan Chase and Regions Bank programs
- Texas Restaurant Association Grant Program
- Galveston EDP Short-term Loan Program: <https://bit.ly/2UrL001>
- El Campo Chamber is starting a bridge program
- Your existing bank may do bridge loan
- *More coming...*

Contact Information

Small Business Development Center 713-752-8444 www.sbdc.uh.edu	Houston SCORE 713-487-6565 www.houston.score.org
Women's Business Center 713-681-9232 www.wbea-texas.org/womens-business-center	U.S. Small Business Administration 713-773-6500 SIGN-UP FOR EMAIL UPDATES: www.sba.gov/tx/houston FOLLOW US ON TWITTER: @SBA_Houston